

## Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 JUSE-00 /126 R

DRAFTED BY DOC:BASTEINBOCK:SMS

APPROVED BY STR:DWHITNACK

LABOR:DPARKER

USDA:JHUDSON/CGUMBAMM

TREAS:EBARBER

USITC:JBOYD

COMM:DSCHLECHTY

STATE:DPATTERSON

-----096510 120227Z /14

P R 112234Z JUL 78

FM SECSTATE WASHDC

TO USMISSION GENEVA PRIORITY

INFO AMEMBASSY VIENNA

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USMTN

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: U.S. INDUSTRIAL PRIORITY EXPORT INTERESTS IN  
AUSTRIA  
REF: MOORE/STEINBOCK TELCON OF 7/10/78

1. THE TRADE POLICY STAFF COMMITTEE HAS APPROVED TPSC  
78-95.

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2. THE DEL SHOULD COMBINE THE GREATER-THAN-FORMULA  
REQUEST LISTS AND MAINTENANCE LISTS FOR AUSTRIA HAND-  
CARRIED TO GENEVA JULY 7. THE COMBINED LIST WOULD  
CONSTITUTE U.S. INTERESTS IN MAINTENANCE OF THE AUSTRIAN  
TARIFF FORMULA OFFER ATTACHED TO TPSC 78-95. PER REF  
TELCON, UNDERSTAND THAT DEL CAN DO RETYPING OF LISTS

RATHER THAN WAIT FOR TRAVELLER FROM WASHINGTON.

3. TPSC 78-95: U.S. INDUSTRIAL PRIORITY EXPORT INTERESTS IN AUSTRIA. PROBLEM: AUSTRIA HAS MADE A FORMULA OFFER TO THE U.S. IN THE MTN. IMPLEMENTATION OF THIS OFFER WOULD RESULT IN AUSTRIA'S GIVING THE U.S. A LARGER DEPTH OF CUT THAN THE U.S. WOULD BE GIVING. AUSTRIA HAS INDICATED THAT IT WILL BE TAKING SOME EXCEPTIONS, ALTHOUGH THESE EXCEPTIONS HAVE NOT BEEN TABLED YET. THE UNITED STATES NEEDS TO INDICATE TO AUSTRIA ITS PRIORITY AREAS OF INTEREST ON INDUSTRIAL PRODUCTS TO ASSURE THAT THEY ARE INCLUDED IN AUSTRIA'S FINAL OFFER.

4. RECOMMENDATIONS:

(A) TO ENSURE THAT UNITED STATES PRIORITY INTERESTS CONCERNING INDUSTRIAL PRODUCTS ARE INCLUDED IN AUSTRIA'S OFFER, THE U.S. DEL SHOULD PRESENT TO THE AUSTRIAN DEL THE ATTACHED LIST OF PRIORITY ITEMS FOR MAINTENANCE OF FORMULA CUTS, DRAWING ON THE BACKGROUND SECTION AS APPROPRIATE IN PRESENTING THE LIST.

(B) THE U.S. REPRESENTATIVE SHOULD NOTE THAT, WHILE THE LIST REPRESENTS OUR PRIORITY INTERESTS IN FURTHER DUTY CUTS, WE RESERVE THE RIGHT TO MODIFY OUR REQUESTS.

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5. BACKGROUND:

(A) THE UNITED STATES MADE AN INDUSTRIAL TARIFF OFFER TO AUSTRIA THAT AS OF JANUARY 23 WOULD HAVE RESULTED IN AN AVERAGE DEPTH OF CUT TO AUSTRIA OF 43.9 PERCENT.

(B) AUSTRIA, AS A FORMULA DEVELOPED COUNTRY, HAS INDICATED ITS INTENTION TO TABLE A TARIFF OFFER USING THE SWISS FORMULA WITH A COEFFICIENT OF 16 AND WITH A 60 PERCENT MAXIMUM CUT. AUSTRIA HAS NOTED THAT IT WILL BE MAKING "ECONOMIC EXCEPTIONS" WITH THE GOAL OF REDUCING THE INITIAL DEPTH OF CUT OF 57 PERCENT WORLD WIDE TO APPROXIMATELY 40 PERCENT. A DETAILED OFFER HAS NOT BEEN TABLED. ALTHOUGH AN ACCURATE GATT TAPE FOR 1976 AUSTRIAN TRADE IS NOT AVAILABLE, CALCULATIONS USING 1975 TRADE DATA INDICATE THAT AUSTRIA'S DEPTH OF CUT TO THE U.S. BEFORE TAKING EXCEPTIONS WOULD BE 49.6 PERCENT.

(C) AUSTRIA HAS BEEN CONCERNED THAT WITH ONLY 5 PERCENT OF ITS EXPORTS MADE TO NON-PREFERENTIAL COUNTRIES, IT COULD NOT RECEIVE AN ADEQUATE LEVEL OF RECIPROCITY TO ALLOW IT TO MAINTAIN ITS OFFER. IT IS PARTICULARLY CON-

CERNED AT ITS INABILITY TO OBTAIN RECIPROCAL CONCESSIONS FROM THE EAST EUROPEANS, WHICH ARE THE MAJOR SUPPLIERS TO THE AUSTRIAN MARKET. THE U.S. DEL HAS REPORTED THAT THE BULK OF AUSTRIA'S EXCEPTIONS WILL BE AIMED AT EASTERN EUROPE. REGARDLESS OF WHAT EXCEPTIONS AUSTRIA TAKES, IT IS HIGHLY LIKELY THAT U.S. EXPORTS WILL BE AFFECTED TO SOME EXTENT.

(D) U.S. PRIORITY EXPORT INTERESTS CONCERNING INDUSTRIAL PRODUCTS HAVE BEEN IDENTIFIED FOR AUSTRIA. BECAUSE AUSTRIA'S CURRENT DEPTH OF CUT TO THE U.S. IS GREATER THAN THE U.S. DEPTH OF CUT TO AUSTRIA (AS OF JANUARY 23),

IT WOULD NOT BE APPROPRIATE AT THIS TIME TO ASK AUSTRIA LIMITED OFFICIAL USE

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FOR GREATER THAN FORMULA REDUCTIONS. AUSTRIA WILL BE TAKING EXCEPTIONS, HOWEVER, AND THE U.S. EXPECTS THAT AUSTRIA, AS A FORMULA DEVELOPED COUNTRY, WILL MAINTAIN AT LEAST A DEPTH OF CUT COMPARABLE TO THAT OFFERED TO AUSTRIA BY THE UNITED STATES. TO ENSURE THAT UNITED STATES PRIORITY INTERESTS ARE INCLUDED IN AUSTRIA'S OFFER, THE U.S. DEL NEEDS TO PRESENT TO THE AUSTRIAN DEL THE ATTACHED LIST OF PRIORITY ITEMS FOR MAINTENANCE OF FORMULA CUTS. AFTER AUSTRIA HAS TABLED ITS DETAILED OFFER, THE U.S. MAY WISH TO MAKE GREATER-THAN-FORMULA REQUESTS. CHRISTOPHER

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRIAL EXPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** BASTEINBOCK:SMS  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Subject:** U.S. INDUSTRIAL PRIORITY EXPORT INTERESTS IN AUSTRIA  
**TAGS:** ETRD, US, AU, MTN  
**To:** GENEVA USMTN  
**Type:** TE  
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**Review Markings:**  
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